

AUG 27 1992

Federal Communications Commission
Office of the Secretary

CITIBANK®

August 27, 1992

Donna R. Searcy
Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C. 20554

Re: Billed Party Preference for 0+ InterLATA Calls
-- CC Docket No. 92-77

Dear Ms. Searcy:

Citicorp submits letter in support of the comments that were filed by MasterCard International Incorporated ("Mastercard") and Visa U.S.A., Inc. ("Visa")¹ in response to the Commission's Notice of Proposed Rulemaking ("Notice") in the above-referenced proceeding in which the Commission tentatively concluded that automated "billed party preference" routing of all 0+ interLATA calls is in the public interest.² As MasterCard and Visa have correctly noted, billed party preference will serve the public interest, but only if it is implemented in such a way which ensures that consumers are afforded a wide variety of telecommunications billing options, including commercial credit cards, for all 0+ calls.

Citicorp is a member of Mastercard and Visa. As a major financial institution, Citicorp is also a major issuer of commercial credit cards, including Visa, MasterCard and

1 See Comments of Mastercard International Incorporated and Visa U.S.A., Inc., CC Docket No. 92-77 (filed July 1, 1992) [hereinafter "Mastercard and Visa Comments"].

2 See Billed Party Preference for 0+ InterLATA Calls, 7 FCC Rcd 3027 (1992).

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Diner's Club. These commercial credit cards are being increasingly used as payment mechanisms for telecommunications services, including 0+ calls. In today's environment, cardholders must either use a credit card reader pay phone, dial a special 800 number, or deal with a human operator to place a commercial credit card call. With the advent of billed party preference, a commercial credit cardholder could enter a card number -- just as holders of carrier calling cards currently do -- and 0+ calls would be automatically routed to an interexchange carrier predesignated by the cardholder.³ Thus, billed party preference would afford consumers the ability to bill calls to commercial credit cards and carrier-issued cards with the same ease.

As Mastercard and Visa have correctly pointed out, however, the potential benefits of billed party preference will only be realized if it is implemented in a cost-effective and nondiscriminatory manner. The Commission should thus ensure that only those implementation costs that are directly attributable to billed party preference are recovered from that service. Similarly, the rates for establishing communications links to alternative billing databases, such as credit card databases, should be reasonable and cost-based. In addition, the implementation of commercial credit card functionalities for billed party preference should proceed in tandem with the implementation of carrier-issued calling cards functionalities. The carriers should not be permitted to favor their own calling cards, which in many cases can also be used as commercial credit cards.

3 As explained by Mastercard and Visa, the call would be routed to the local exchange carrier Operator Support System, which would identify the card issuer and route the call to the appropriate card issuer database for validation. The call would then be sent to the carrier predesignated by the cardholder. See Mastercard and Visa Comments at 6-7.

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As set forth above and more fully in the comments filed by Mastercard and Visa, the Commission should implement billed party preference for 0+ calls in a manner that ensures that consumers are afforded the widest variety of billing options, including commercial credit cards, for 0+ calls.

Respectfully submitted,

P. Michael Nugent

P. Michael Nugent

PMN:dn

cc: All Parties of Record

CERTIFICATE OF SERVICE

I, Denise Nelson, hereby certify that copies of the foregoing Letter, Docket No. 92-77, were served by hand upon the parties appearing on the attached service list this 27th day of August, 1992.

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Denise Nelson

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